

DATE 3/23/05	SUSPENSE 4/7/05	ENGINEER WVS	LOGGED IN 3/4/05	TYPE SWD	APP NO. DSEM050848916
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ABOVE THIS LINE FOR DIVISION USE ONLY

Complete

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

[D] Other: Specify _____

30-025-03646

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Sandra L. Garcia *Sandra L Garcia* Production Assistant
 Print or Type Name Signature Title Date
 sgarcia@aspen-oil.com
 e-mail Address



Aspen Integrated Oil & Gas, L.L.C.
Aspen Operating Company, L.L.C.

March 3, 2005

The State of New Mexico
Oil Conservation Division
1220 South Francis Drive
Santa Fe, New Mexico 87505

Attn: William Jones

RE: State "AC" #1
Section 15, T10S-R36E
Lea County, New Mexico

Dear Mr. Jones:

Aspen Operating Company, LLC hereby requests that a permit be granted to use the State "AC" # 1 as a water injection well. Enclosed please find the following information in support of this application.

- Form C-108
- Map identifying all wells within two miles with a one-half mile radius circle around proposed injection well.
- Table of wells within a one-half mile radius of subject well
- Injection well data sheet
- Wellbore diagrams for all wells within a one-half mile radius
- Chemical analysis of nearest water well
- Affidavit of Publication and Newspaper Clipping
- Administrative Application Checklist
- Letter attesting to the notification of the affected parties

Thank you for your consideration of this application. Should you require additional information, please call me at (817) 882-9063, Ext 17.

Sincerely Yours,

ASPEN OPERATING COMPANY, LLC.

Sandra L. Garcia
Production Assistant

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MAR 04 2005

OIL CONSERVATION
DIVISION

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

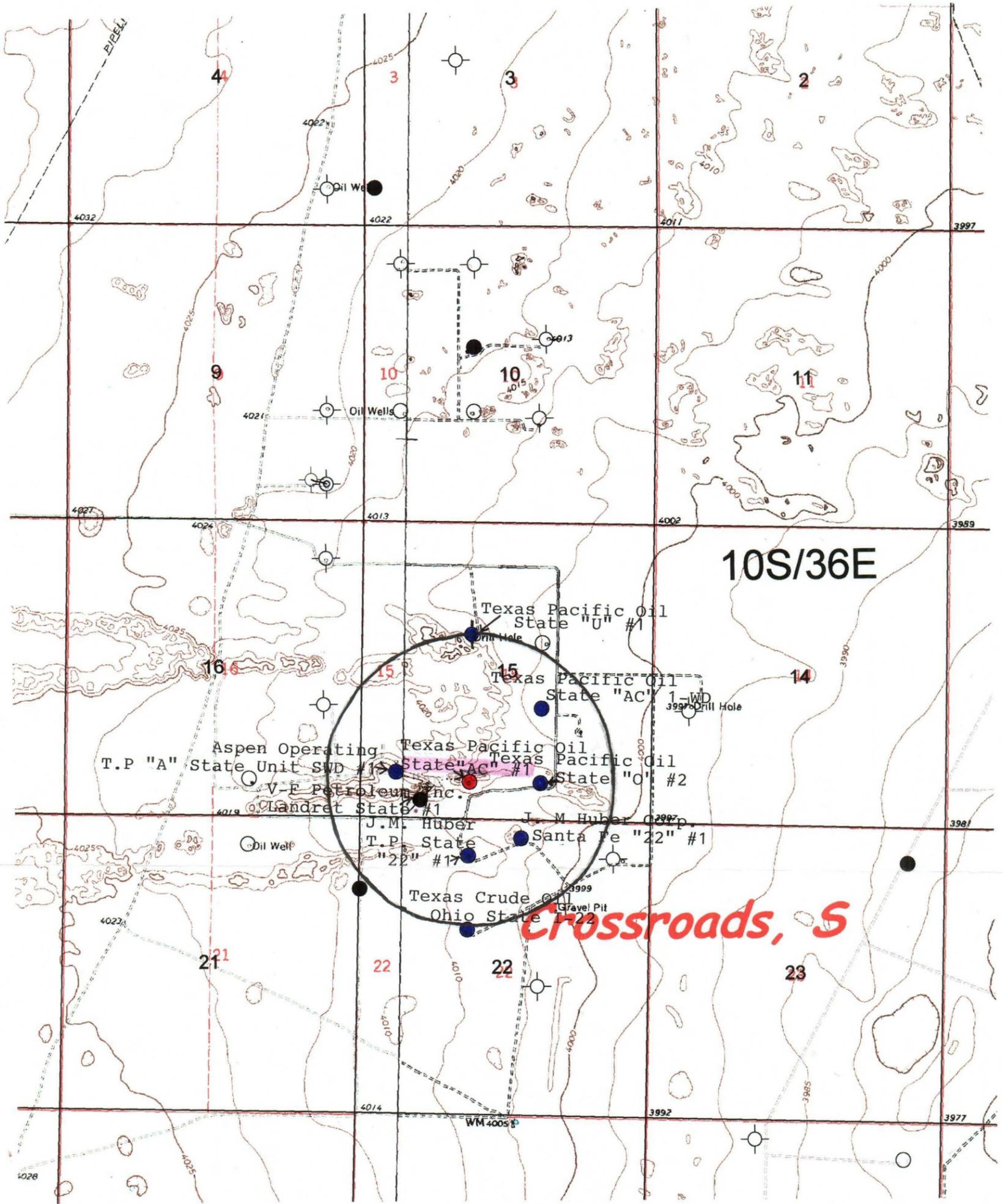
NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Application for Authorization to Inject

Aspen Operating Company, L.L.C.
State "AC" #1
660' FSL & 1,980' FWL
Unit F, Section 15, T10S-R36E
Lea County, New Mexico

- VI. Attached is a tabulation of all wells of public record that fall within the half (1/2) mile radius of the proposed salt water disposal well, The State "AC" #1. There are six plugged wells, two T A wells, along with one abandoned SWD well. The wells each have a good cement seal around their casing shoe to prevent any upward migration of the disposal water into any potable water zone. The State "AC" #1 well was drilled as a Devonian test in 1962 and plugged and abandoned in May 1974.
- VII. The proposed average daily injection rate for the subject well is 1,500 BWPD with a maximum daily rate of 6,000 BWPD. This will be a closed system with an average pressure of 500 psi/1,000 and a maximum pressure of 3,500 psig. Produced Devonian water will be injected in the proposed well. There should be no incompatibility concerns in injection of Devonian water into a former producing Devonian well.
- VIII. The disposal zone will be the Devonian Formation, a dolomite section. The open hole interval from 12,253' feet to 12,281' feet will be utilized as the disposal interval. The main source of drinking water in this area is the Cretaceous Formation, the base of which is approximately 180 feet. There are no known sources of drinking water underlying the injection interval.
- IX. The well will be stimulated with 1,000-2000 gallons of 20% NEFE HCL, if required, after a pump-in test.
- X. Log is on file with the Division.
- XI. Attached is an analysis of the water from the nearest water well.
- XII. Aspen Operating Company, L.L.C has examined the available geologic and engineering data and can find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.
- XIII. The required "Proof of Notice" is attached.



ASPEN OPERATING COMPANY, L.L.C.

STATE "AC" #1
 660' FSL & 1980' FWL
 Unit F, Sec. 15, T10S, R36E,
 Lea County, New Mexico

**ASPEN OPERATING COMPANY, LLC.
OFFSET WELLS TO THE STATE "AC" #1
WITHIN A ONE-HALF MILE RADIUS**

WELL NAME & NO.	LOCATION	SURFACE CASING	INTERMEDIATE CASING	PRODUCTION CASING	TD	STATUS
Texas Pacific Oil Company State "AC" #1-WD (3002503644) Spud 9/18/55	Section 15, T10S-36E Unit J 1980' FSL & 1980' FEL	13 3/8" @ 333' Cement w/100 sacks Not know if cement circ'd	9 5/8 @4259' Cement w/2475' sacks Not know if cement circ'd	7" @ 12,269' Cement w/300' sacks TOC unknown	12,342'	No record found of P&A
Texas Pacific Oil Company State "O" #2 (3002508695) Spud 7/25/62	Section 15, T10S-36E Unit J 1980' FSL & 1980' FEL	13 3/8" @ 353' Cement w/400 sacks TOC @ surface by circ.	8 5/8 @4248' Cement w/1690 sacks Circ'd	5 1/2 @12,249' Cement w/ 300 sacks	12,270'	Schematic attached P&A'd: 09/1969
Texas Crude Oil Corp. Ohio State 1-22 (3002503651) Spud 06/1961	Section 22, T10S, R36E Unit F 1980' FNL & 1980' FWL	13 3/38" @376' Cement w/240 sacks TOC @ surface by circ.	8 5/8 @ 4226' Cement w/ 250 sacks	5 1/2" @ 12,284' Cement w/550 sacks	12,295'	Schematic attached P&A'd: 11/1962
J.M. Huber Corp. Santa Fe "22" No. 1 (3002503647) Spud 04/62	Section 22, T10S, R 36-E Unit B 330' FNL & 2310 FEL	13 3/8" @360' Cement w/350 sacks TOC @ 360 by circ.	8 5/8" @4196' Cement w/300 sacks	5 1/2" @12,245' Cement w/550 sacks	12,260'	Schematic attached P&A'd: 9/69
V-F Petroleum, Inc. Landreth State #1 Spud 7/77	Section 15, T10S-R36E Unit M 330' FSL & 1,100' FWL	12 3/4" @398' Cement w/450 sacks TOC @ surface by circ	8 5/8" @4,299' Cement w/925 sacks	5 1/2" @ 12,235' Cement w/1,450' sacks TOC @ 9,830' by CBL	12,239'	No record found of P&A -TA
Texas Pacific Coal & Oil Co. State "AC" #1 Spud 5/62	Section 15, T10S-R36E Unit F 660' FSL & 1,980' FWL	13 3/8" @ 360' Cement w/350 sacks TOC @ surface by circ.	9 5/8" @ 4,270' Cement w/1,600 sacks	7" @ 12,253' Cement w/200 sacks	12,342'	Schematic attached P&A'd 5/74
RE-ENTRY 2/05						Schematic attached

J. M. Huber Corporation T.P. State "22" #1 Spud 2/62	Section 22, T10S-R36E Unit C 660' FNL & 1,980' FWL	13 3/8" @313' Cement w/250 sacks TOC @ surface by circ.	8 5/8" @ 4,208' Cement w/250 sacks	5 1/2" @ 12,249' Cement w/500 sacks	12,260'	P&A'd 5/1969 Schematic attached
Texas Pacific Coal & Oil Co. State "U" #1 Spud 8/57	Section 15, T10S, R36E, Unit F 1980' FNL & 1980' FWL	13 3/8" @343 Cement w/325 sacks TOC @ surface by circ.	8 5/8" @4,249' Cement w/2475 sacks Cement circ.	5 1/2" @12,310' Cement w/150 sacks TOC @ 11,500 by CBL	12,361'	P&A'd 12/1957 Schematic attached
Aspen Operating Company T.P. "A" State Unit SWD #1 Spud 10/98	Section 15, T10S-R36E Unit M (Surface) 810' FSL & 660' FWL Section 16, T10S-R36E Unit P (Bottom Hole) 966' FSL & 120' FEL	13 3/8" @ 335' Cement w/350 sacks TOC @ surface by circ.	8 5/8" @4,215' Cement w/1,400 sacks TOC @ surface by circ.	5 1/2" @ 12,313' Cement w/230 sacks	12,429'	T&A'd Schematic attached Permission was granted from Gary Wink @ Hobbs district office to partially plugged well by setting a 25-sack plug in the 5 1/2" casing @ 9942'. Our intention is go back and P&A'd well.

INJECTION WELL DATA SHEET

OPERATOR: Aspen Operating Co., L.L.C.

WELL NAME & NUMBER: State -AC- No. 1

WELL LOCATION: 660' FSL & 1980' FWL

UNIT LETTER N SECTION 15 TOWNSHIP 10-S RANGE 36-E

FOOTAGE LOCATION

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing

SEE ATTACHED

Hole Size: _____ Casing Size: _____
Cemented with: _____ sx. *or* _____ ft³
Top of Cement: _____ Method Determined: _____

Intermediate Casing

Hole Size: _____ Casing Size: _____
Cemented with: _____ sx. *or* _____ ft³
Top of Cement: _____ Method Determined: _____

Production Casing

Hole Size: _____ Casing Size: _____
Cemented with: _____ sx. *or* _____ ft³
Top of Cement: _____ Method Determined: _____

Total Depth: _____
Injection Interval
_____ feet to _____

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 3 1/2 Lining Material: Lined w/Duoliner 20 FG Liner

Type of Packer: Baker Model "D" Packer (nickle-plated)

Packer Setting Depth: 12,160'

Other Type of Tubing/Casing Seal (if applicable): None

Additional Data

1. Is this a new well drilled for injection? Yes No

If no, for what purpose was the well originally drilled? Oil Production - Producer

2. Name of the Injection Formation: Devonian

3. Name of Field or Pool (if applicable): South Crossroads - Devonian

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. None

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: None

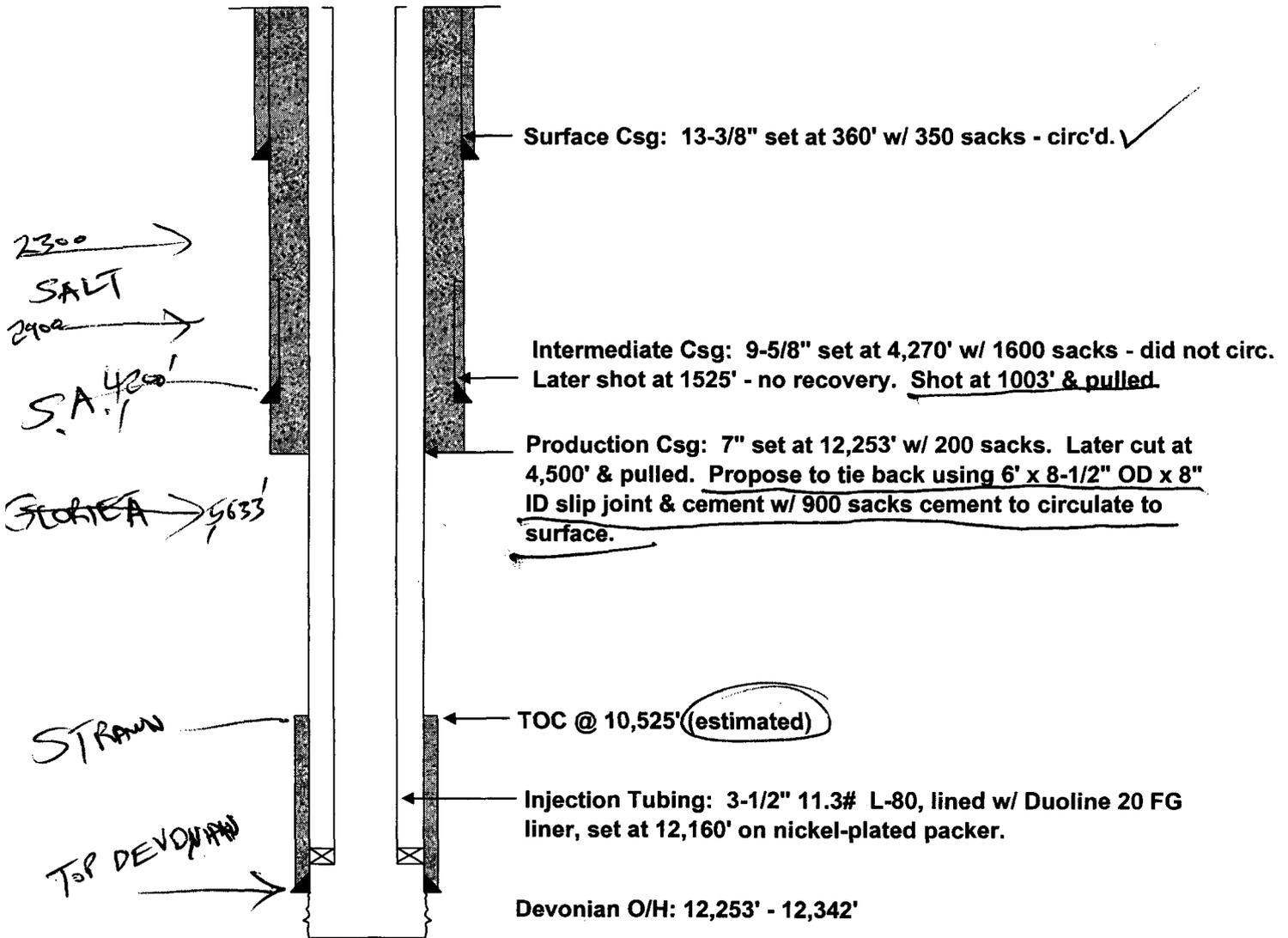


Aspen Operating Co., L.L.C.
Wellbore Diagram

PROPOSED WELLBORE CONSTRUCTION

Well Name:
Location:
Key Dates:

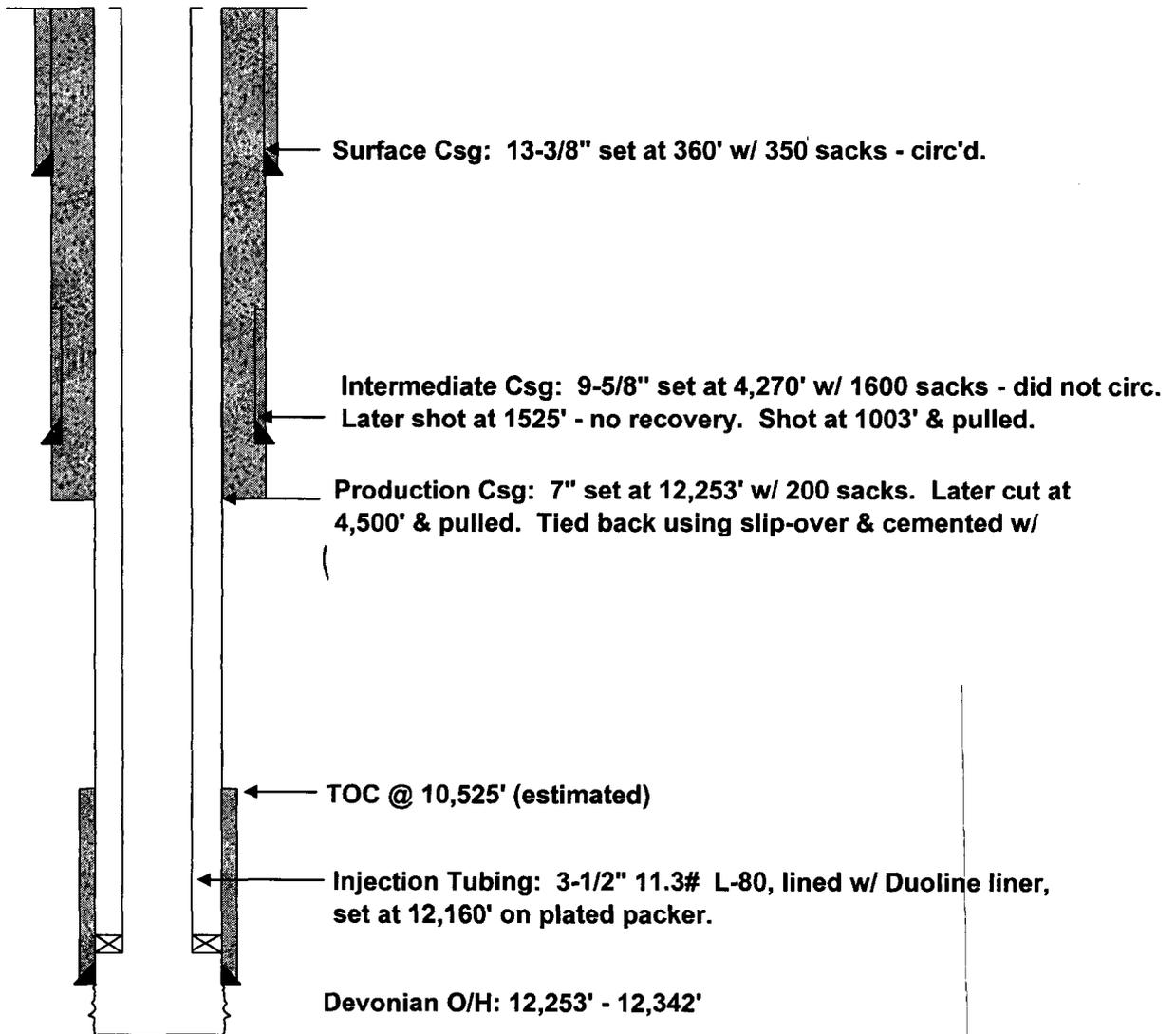
T.P. State -AC- No. 1
Sec. 15, T10S, R36E, Lea Co., NM
Spud: 5/62 TD: 12342' P&A'd: 5/74 Re-entered: 02/2005





Aspen Operating Co., L.L.C.
Wellbore Diagram

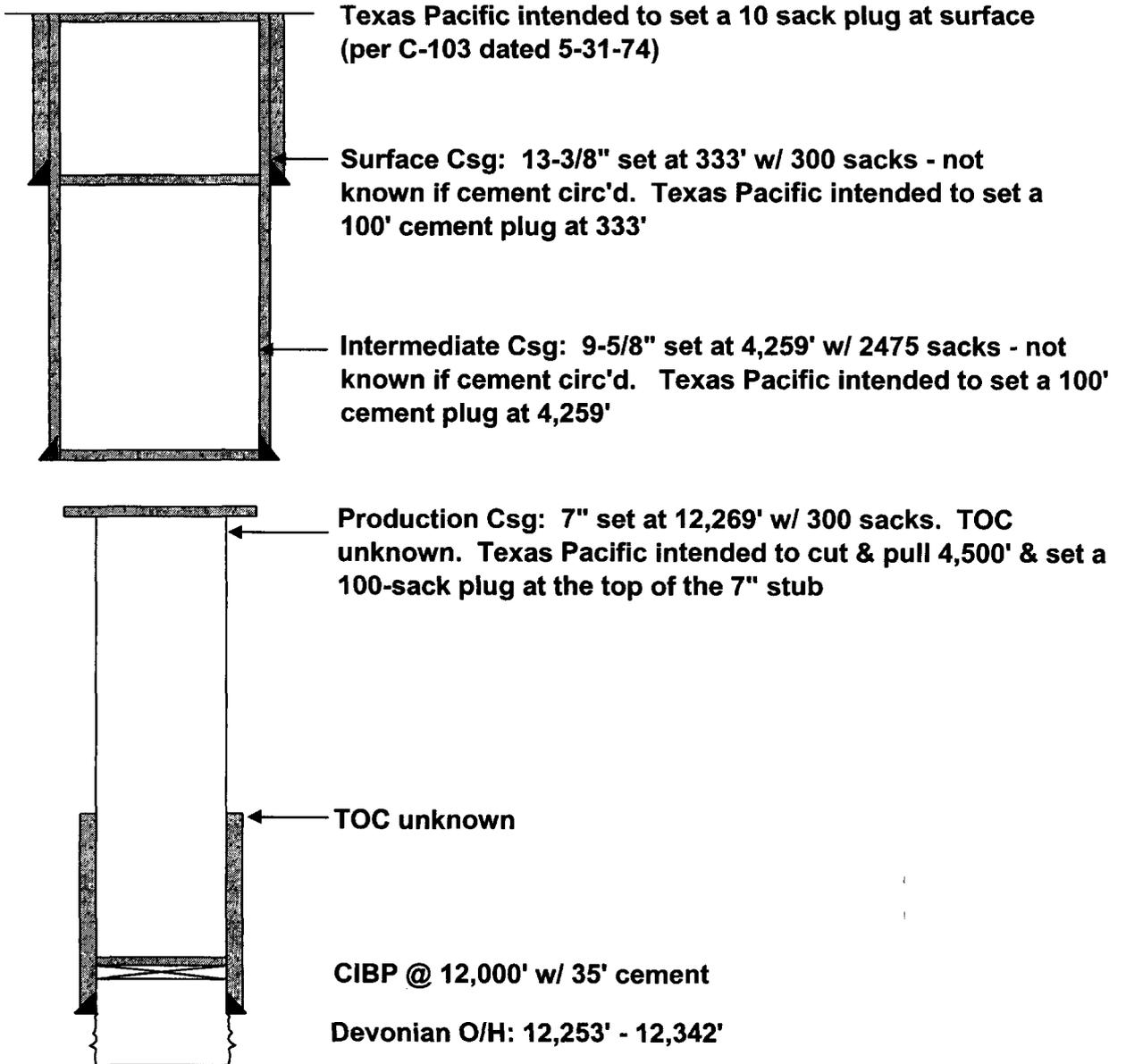
Well Name: **T.P. State -AC- No. 1**
Location: **Sec. 15, T10S, R36E, Lea Co., NM**
Key Dates: **Spud: 5/62 TD: 12342' P&A'd: 5/74 Re-entered: 02/2005**





Aspen Operating Co., L.L.C.
Wellbore Diagram

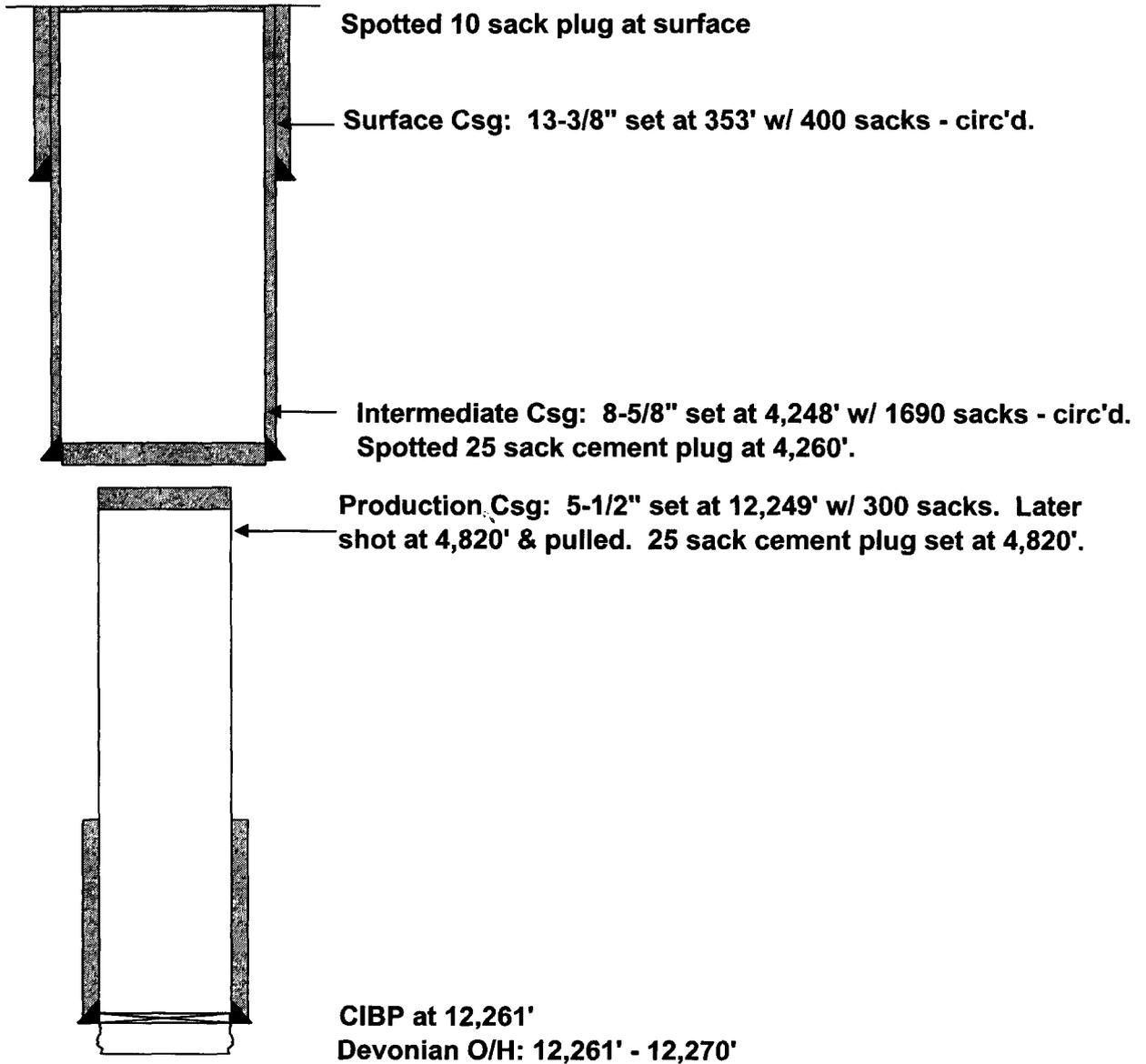
Operator: Texas Pacific Coal & Oil Co., Inc.
Well Name: **T.P. State -AC- No. 1-WD**
Location: Sec. 15, T10S, R36E, Lea Co., NM (Unit J)
Key Dates: Spud: 9/55 TD: 12289' Completion: 01/1956





Aspen Operating Co., L.L.C.
Wellbore Diagram

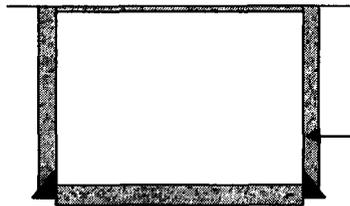
Operator: Texas Pacific Coal & Oil Company
Well Name: **State of New Mexico "O" No. 2**
Location: Sec. 15, T10S, R36E, Lea Co., NM
Key Dates: Spud: 07/1962 Completed: 09/1962 P&A'd: 09/1969





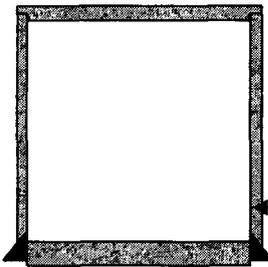
Aspen Operating Co., L.L.C.
Wellbore Diagram

Operator: Texas Crude Oil Corp. - Hill & Meeker
Well Name: **Ohio State 1-22**
Location: Sec. 22, T10S, R36E, Lea Co., NM
Key Dates: Spud: 06/1961 Completed: 08/1961 P&A'd: 11/1962



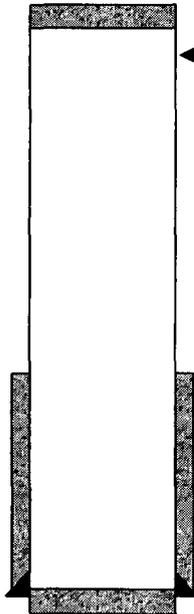
Spotted 10 sack plug at surface

Surface Csg: 13-3/8" set at 376' w/ 240 sacks - circ'd.
Spotted 25 sack cement plug at 400'.



Spotted 25 sack cement plug at 1,271

Intermediate Csg: 8-5/8" set at 4,226' w/ 250 sacks. Shot & pulled 1255' & spotted 25 sack cement plug at 4,260'.



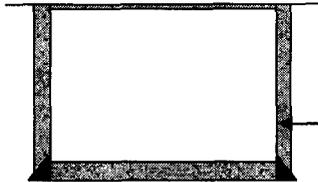
Production Csg: 5-1/2" set at 12,284' w/ 550 sacks. Later shot at 4,728' & pulled. 25 sack cement plug set at 4,729'.

Devonian O/H: 12,284' - 12,295'. 25 sack plug set at 12,295'.



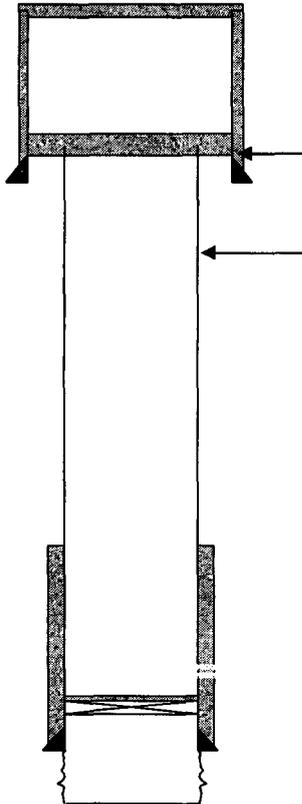
Aspen Operating Co., L.L.C.
Wellbore Diagram

Operator: J.M. Huber Corp.
Well Name: **Santa Fe "22" No. 1**
Location: Sec. 22, T10S, R36E, Lea Co., NM
Key Dates: Spud: 4/62 Completed: 4/68 P&A'd: 9/69



Spotted 10 sack plug at surface

Surface Csg: 13-3/8" set at 360' w/ 350 sacks - circ'd.
Spotted 25 sack cement plug at 360' - 300'



Spotted 25 sack cement plug at 1090' - 990'

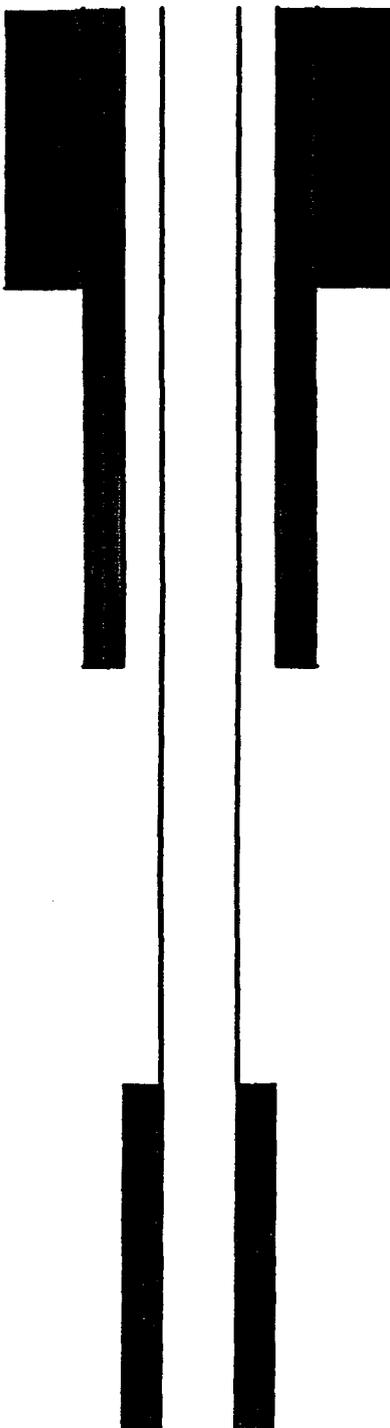
Intermediate Csg: 8-5/8" set at 4,196' w/ 300 sacks. Shot & pulled 1040' & spotted 25 sack cement plug at 3,578'-3478'.

Production Csg: 5-1/2" set at 12,245' w/ 550 sacks. Later shot at 3,528' & pulled.

Strawn perms 10,582' - 10,584'
CIBP @ 10,655' w/ 10' cement in 03/1968

Devonian O/H: 12,245' - 12,260'

V-F PETROLEUM, INC.
LANDRETH STATE #1
UNIT M, 330' FSL & 1,100' FWL
SECTION 15, T10S-R36E
LEA COUNTY, NEW MEXICO



12 3/4" casing set @ 398' with 450 sacks of cement
Hole size: 15" - TOC @ surface by circ.

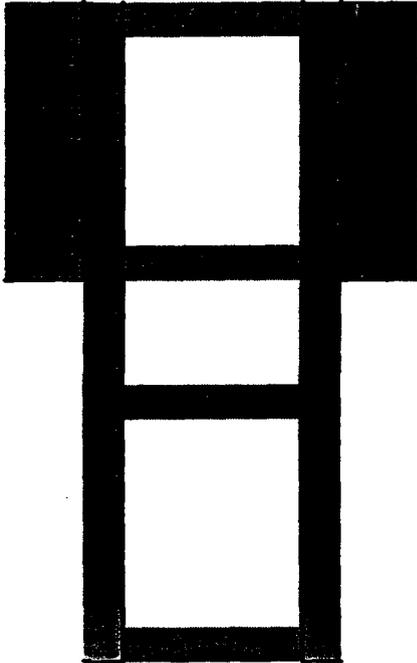
The diagram shows two vertical lines representing well casing. The left line has a thick black rectangular block at the top and another at the bottom. The right line has a thick black rectangular block at the top. The space between the lines represents the well casing, and the area outside the lines represents the open hole.

8 5/8" casing set @ 4,299' with 925 sacks of cement
Hole size: 11".

Total depth - 12,239'. 5 1/2" casing set
@ 12,235' with 1,450 sacks of cement.
TOC @ 9,830' - CBL.
Completed open hole @ 12,235' - 12,239'.

NO RECORD OF P&A FOUND. WELL TA

J. M. HUBER CORPORATION
T. P. STATE "22" #1
UNIT C, 660' FNL & 1,980' FWL
SECTION 22, T10S-R36E
LEA COUNTY, NEW MEXICO



Set 10 sack cement plug @ surface.

Set 25 sack cement plug @ 301'.

13 3/8" casing set @ 313' with 250 sacks of cemen
Hole size: 17 1/2" - TOC @ surface by circ.

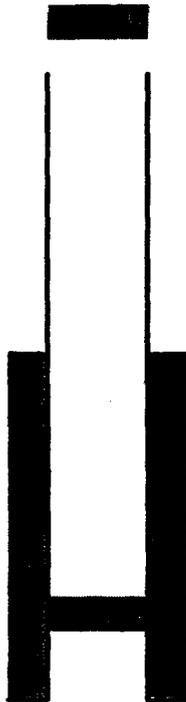
Set 25 sack cement plug @ 747'

8 5/8" casing set @ 4,208' with 250 sacks of cement
Hole size: 11" -

Set 25 sack cement plug @ 4,127'

Shoot off 5 1/2" casing @ 4,900' and pull.

Set 25 sack cement plug @ 4,688'



Total depth - 12,260'. 5 1/2" casing set to
depth of 12,249'. Cement w/500 sacks "H"
Completed open hole from 12,245' - 12,260'
3/1962.

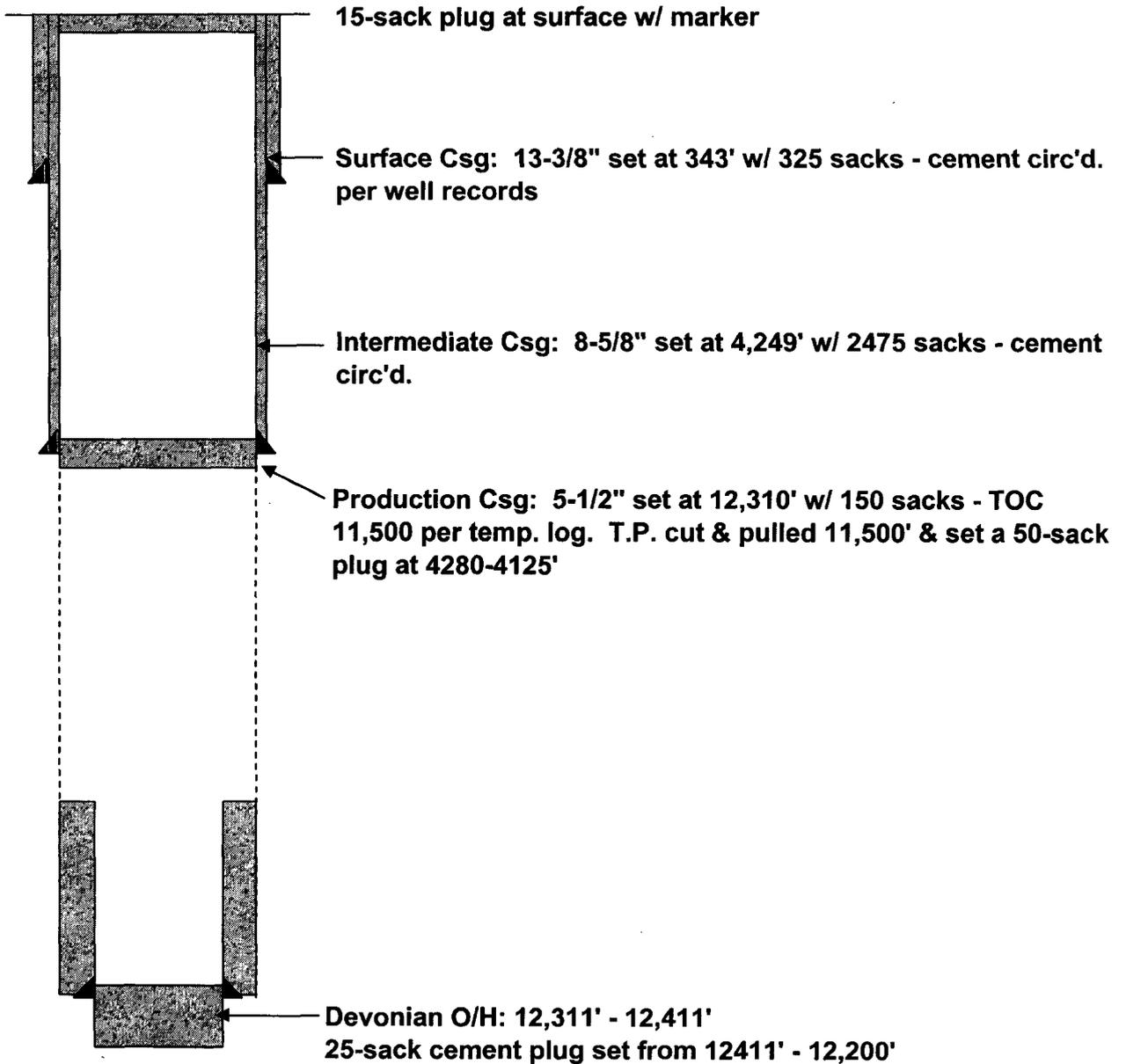
Set 25 sack cement plug @ 12,000'

Plug And Abandon 5/1969.



Aspen Operating Co., L.L.C.
Wellbore Diagram

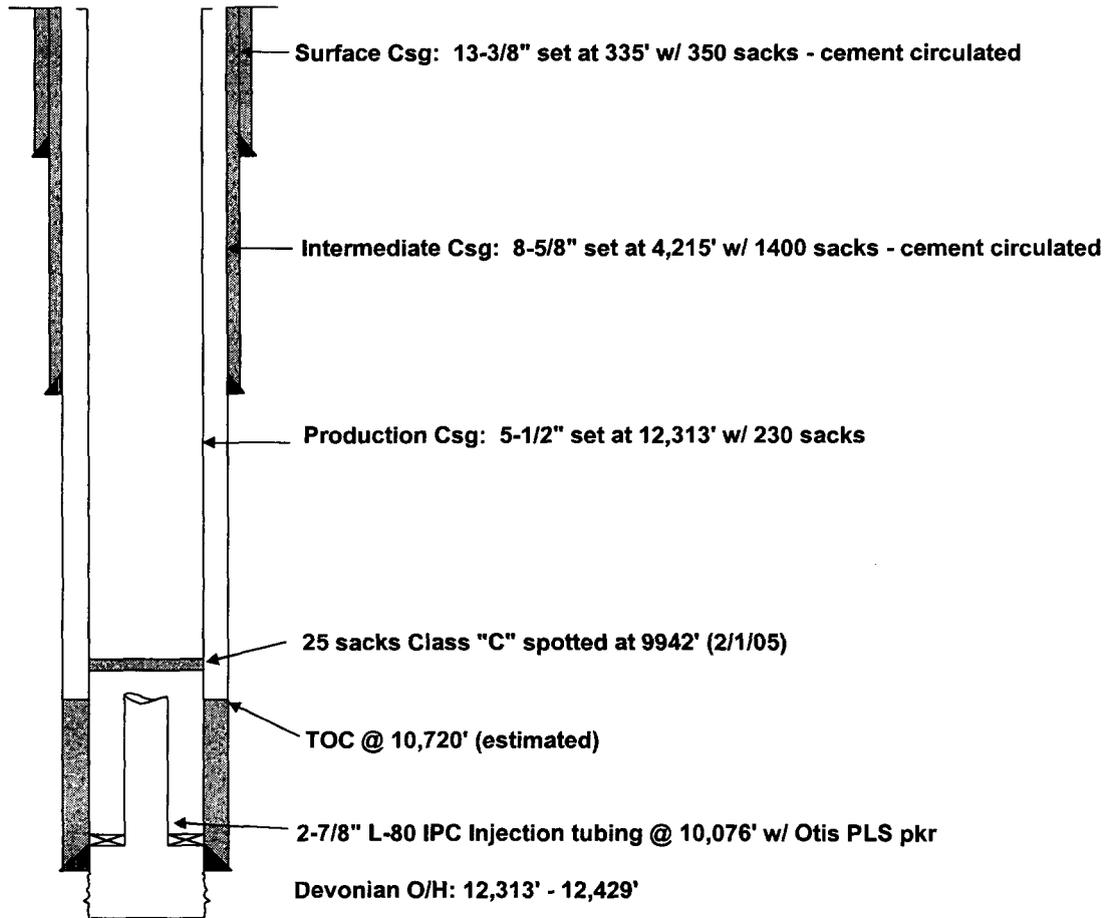
Operator: Texas Pacific Coal & Oil Co., Inc.
Well Name: **T.P. State -U- No. 1**
Location: Sec. 15, T10S, R36E, Lea Co., NM (Unit F)
Key Dates: Spud: 8/1957 TD: 12361' Completion: 11/1957





Aspen Operating Co., L.L.C.
Wellbore Diagram

Well Name: **T.P. State -A- No. 1**
Surface Location: **Sec. 15, T10S, R36E, Lea Co., NM (Unit M)**
Bottomhole Location: **966' FSL & 120' FEL, Sec. 16, T10S, R36E, Lea Co., NM**
Key Dates: **Spud: 1964 TD: 12429' P&A'd: 4/1979 Re-entered: 04/1998 (Directional re-drill)**



Permission was granted from Gary Wink @ Hobbs district office to partially plugged well by setting a 25-sack plug in the 5 1/2" casing @9942' Out intention is to go back and P&A'd well.



South Permian Basin Region
 10520 West I-20 East
 Odessa, TX 79705
 (915) 496-9191
 Lab Team Leader - Sheila Hernandez
 (915) 405-7240

Water Analysis Report by Baker Petrolite

Company:	COBRA OIL AND GAS	Sales RDT:	33112
Region:	PERMIAN BASIN	Account Manager:	RUSSELL KENNEDY (915) 634-6844
Area:	BIG SPRING, TX	Sample #:	165075
Lease/Platform:	KANCHER	Analysis ID #:	16651
Entity (or well #):	WATER WELL	Analysis Cost:	\$40.00
Formation:	UNKNOWN		
Sample Point:	WATER WELL		

Summary		Analysis of Sample 165075 @ 75 °F					
		Anions	mg/l	meq/l	Cations	mg/l	meq/l
Sampling Date:	4/18/01	Chloride:	33.0	0.93	Sodium:	0.0	0.
Analysis Date:	5/1/01	Bicarbonate:	163.0	3.	Magnesium:	19.0	1.56
Analyst:	MARILYN BRANNON	Carbonate:	2.0	0.07	Calcium:	44.0	2.2
TDS (mg/l or g/m ³):	291.8	Sulfate:			Strontium:	2.0	0.06
Density (at 20°C, tonne/m ³):	1						



Aspen Integrated Oil & Gas, L.L.C.
Aspen Operating Company, L.L.C.

March 3, 2005

The State of New Mexico
Oil Conservation Division
1220 South Francis Drive
Santa Fe, New Mexico 87505

RE: State "AC" #1
Section 15, T10S-R36E
Lea County, New Mexico

Gentlemen:

On March 3, 2005, Aspen Operating Company, L.L.C mailed to Tom Gainer, surface owner, copies of the Application for Authorization to Inject for the above captioned proposed disposal well. There are no offset leasehold operators to notify in the area within a half-mile radius. The only other acreage within the radius of review is open state land.

Should you require additional information, please advise.

Sincerely Yours,

ASPEN OPERATING COMPANY, LLC.

Sandra L. Garcia
Production Assistant



Aspen Integrated Oil & Gas, L.L.C.
Aspen Operating Company, L.L.C.

RECEIVED

APR 04 2005

OIL CONSERVATION
DIVISION

March 31, 2005

The State of New Mexico
Oil Conservation Division
1220 South Francis Drive
Santa Fe, New Mexico 87505

Attn: William Jones

RE: State "AC" #1
Section 15, T10S-R36E
Lea County, New Mexico

Dear Mr. Jones:

Per your request, enclosed you will find an amended Affidavit of Publication for the subject well. I am also enclosing a copy of the letter and Certified Receipt we mailed to Tom Gainer, the Surface Owner.

Thank you for your assistance in this matter. Should you require additional information, please call me at (817) 882-9063, Ext 17.

Sincerely Yours,

ASPEN OPERATING COMPANY, LLC.

Sandra L. Garcia
Production Assistant

AFS

Affidavit of Publication

STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Director of **THE LOVINGTON DAILY LEADER**, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled

Legal Notice

was published in a regular and entire issue of **THE LOVINGTON DAILY LEADER** and not in any supplement thereof, for one (1) day, beginning with the issue of March 18, 2005 and ending with the issue of March 18, 2005.

And that the cost of publishing said notice is the sum of \$ 17.36 which sum has been (Paid) as Court Costs.



Subscribed and sworn to before me this 23rd day of March 2005



Debbie Schilling
Notary Public, Lea County, New Mexico
My Commission Expires June 22, 2006

LEGAL NOTICE AMENDED LEGAL NOTICE

Aspen Operating Company LLC, 210 W. 6th Street, Suite 1301, Fort Worth, Texas 76102, (817) 882-9063, contact Sandra Garcia, is making an application for a produced water disposal well with the New Mexico Oil Conservation Division. The well, known as the State "AC" #1 is located 660' FSL & 1980' FWL, Section 15, T10S-R36E, Lea County, New Mexico. Disposal will be into the Devonian Formation, open hole, from 12,253' to 12,281'. Maximum rate is anticipated to be 6,000 BWRD with a maximum pressure of 3,500 psig. Interested parties must file objections or request for hearing with the New Mexico Oil Conservation Division, 1220 South Street, Francis Drive, Santa Fe, New Mexico 87505, within fifteen (15) days of this notice.

Published in the Lovington Daily Leader March 18, 2005.

DATE RECEIVED _____
AFE/LOE/DECK _____
ACCOUNT NO _____
LEASE NO _____
APPROVED BY _____
DATE APPROVED _____
DESCRIPTION _____



Aspen Integrated Oil & Gas, L.L.C.
Aspen Operating Company, L.L.C.

March 3, 2005

Tom Gainer
107 W. 19th Street
Portales, New Mexico 88130

RE: State "AC" #1
Section 15, T10S-R36E
Lea County, New Mexico

Dear Mr. Gainer:

Aspen Operating Company, LLC is making an application to the New Mexico Oil Conservation Division to utilize the State "A" #1 for disposal of produced Devonian water from Aspen's Lewis, State and Gainer wells. In accordance with regulation 701.B (2), as the surface owner of the land on which the well is located, a copy of the disposal application is being furnished to you.

If you have no objections to this operation, kindly execute the attached waiver of protest immediately and forward it to the Oil Conservation Division using the stamped, addressed envelope provided. This waiver of protest will expedite the process of the SWD application.

We appreciate your cooperation in this matter. Please call me at (817) 882-9063, Ext. 17 if you have any questions.

Sincerely Yours,

ASPEN OPERATING COMPANY, L.L.C.

Sandra L. Garcia
Production Assistant

WAIVER OF PROTEST

RECEIVED

To: The State of New Mexico
Oil Conservation Division
1220 South Francis Drive
Santa Fe, New Mexico 87505
Attn: William Jones

MAR 11 2005

Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505

From: Tom Gainer
107 W. 19th Street
Portales, New Mexico 88130

Subject: Waiver of Protest
State "AC" #1
Section 15, T10S-R36E
Lea County, New Mexico

This is to advise that the undersigned has been given due notice of Aspen Operating Co.'s intent to apply for a SWD permit regarding their proposed injection of the subject well. Tom Gainer, as the Surface Owner has no objections to the granting of approval for this application, and hereby waives protest.

Executed this 9 day of March, 2005, by Tom Gainer
Tom Gainer
Surface Owner

Jones, William V

From: Jones, William V
Sent: Thursday, March 31, 2005 12:49 PM
To: 'SANDRA L. GARCIA'
Subject: RE: State AC #1 operated by Aspen Operating

Yes, please send....

-----Original Message-----

From: SANDRA L. GARCIA [mailto:SGARCIA@ASPEN-OIL.COM]
Sent: Thursday, March 31, 2005 9:31 AM
To: 'Jones, William V'
Subject: RE: State AC #1 operated by Aspen Operating

Okay. I got the amended affidavit of publication you requested with the correct Division address; do you still need that?

From: Jones, William V [mailto:WVJones@state.nm.us]
Sent: Thursday, March 31, 2005 10:07 AM
To: 'SANDRA L. GARCIA'
Subject: RE: State AC #1 operated by Aspen Operating

Sandra:

I have it already,

I will release the permit early on the week of April 11th - I have a hearing late the week of April 4th and am very busy.

Thank You,

Will

-----Original Message-----

From: SANDRA L. GARCIA [mailto:SGARCIA@ASPEN-OIL.COM]
Sent: Thursday, March 31, 2005 8:58 AM
To: 'Jones, William V'
Subject: RE: State AC #1 operated by Aspen Operating

William,

I have notified the surface owner. His name is Tom Gainer. I got the Certified Receipt on

4/4/2005



State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

PATRICK H. LYONS
COMMISSIONER

RECEIVED

March 29, 2005

MAR 30 2005

Aspen Integrated Oil & Gas, LLC
210 W. 6th Street, Suite 1301
Fort Worth, TX 76102

OIL CONSERVATION
DIVISION

Attn: Ms. Sandra L. Garcia

Re: State "AC #1
State Subsurface SE/4SW/4 Sec. 15-10S-36E
Lea County, New Mexico

Dear Ms. Garcia:

Your letter of March 17, 2005 has been received. Your letter advises this office that Aspen Integrated Oil & Gas, LLC has applied to the NMOCD to utilize the State "A" #1 located in the SE/4SW/4 of Sec. 15-10S-36E for disposal of produced Devonian water from Aspen's Lewis State and Gainer wells.

Please be advised that since the surface is not under State ownership, a salt water disposal easement from this office is not required. We have no objection to your request at this time.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

PL/JB/pm

pc: Reader File,
OCD-Santa Fe Attn: Mr. David Catanach
Brian Bingham, Commercial Resources

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University

Aspen Operating Company, L.L.C

**State "AC" #1
Section 15, T10S-R36E
Lea County, New Mexico**

The State AC #1 stopped producing in 1971. The well had cumulative production of 417,000 BO and 1,453,000 BW. The final water cut was 98% and the well was plugged and abandoned shortly thereafter.

The Landreth State #1 located 1/4 mile wsw of the State AC#1 was drilled and completed in 1978. It is 13' high to the State AC and had cumulative production of 26,000 BO and 961,000 BW. It stopped producing in 1994 with a water cut of 97%. This well likely never even paid out due to the high water cuts.

The TP State A#1 located approximately 1/4 mile wnw of the State AC was re-entered and side-tracked to a higher structural position (18' high to the State AC). This well produced at a 94% water cut and produced only 15,000 BO before being temporarily abandoned. It was subsequently approved for conversion to SWD by the OCD in 2001. It has served as the Crossroads South SWD from that time until the recent mechanical failure (late 2004). This well is the highest well on the Crossroads South structure except for the lone remaining producing well, Gainer #1. The Gainer #1 is some 43' high to the State AC and 23' high to the TP State A. As the TP State A is structurally high to the State AC, was previously approved for SWD by the OCD, and has taken well over a million bbls of water, we feel that the Devonian is clearly watered out at the State AC location.

In addition, we encountered only very minor shows of oil when we drilled through the CIBP and exposed the Devonian in the State AC. These shows quickly disappeared and the well has not had any oil shows since as we have continued to conduct our clean-out operations. Several casing volumes have been pumped and circulated out of the well with no further shows. A swab test in our opinion is not warranted on this basis. Similarly, a TDT we feel would be inconclusive as there is no base line log for comparison.

Jones, William V

From: SANDRA L. GARCIA [SGARCIA@ASPEN-OIL.COM]
Sent: Monday, March 21, 2005 10:06 AM
To: 'Jones, William V'
Subject: RE: State AC #1 operated by Aspen Operating

William,

Here is a list of answers to some of the questions/requests you had concerning the SWD application for the subject well. Please let me know should you need additional information.

Question #1 – Waiting on Certified Receipt from State Land Office.

Question #2 – Waiting on amended legal notice.

Question #3 - Per your request, attached is a file with a list of all the geologic tops from the surface to the Devonian in this wellbore.

Question #4 – Please note that we have circulated cement to surface. We will run a CBL to demonstrate the top of cement and that the Salt has been covered. The Cement Bond Log will be mailed to your office.

Question #5 – The field is largely depleted and the oil/water contact has moved up the structure to the point that there is no oil leg remaining in this well.

Thanks,

Sandra

From: Jones, William V [mailto:WVJones@state.nm.us]
Sent: Thursday, March 17, 2005 2:31 PM
To: 'SANDRA L. GARCIA'
Subject: RE: State AC #1 operated by Aspen Operating

Yes,
thanks

-----Original Message-----

From: SANDRA L. GARCIA [mailto:SGARCIA@ASPEN-OIL.COM]
Sent: Thursday, March 17, 2005 1:23 PM
To: 'Jones, William V'
Subject: RE: State AC #1 operated by Aspen Operating

William,

On question #2, is this the correct Division address?

Jones, William V

From: Kautz, Paul
Sent: Thursday, March 17, 2005 1:05 PM
To: Jones, William V
Subject: RE: State AC #1 operated by Aspen Operating

No

-----Original Message-----

From: Jones, William V
Sent: Thursday, March 17, 2005 12:24 PM
To: 'sgarcia@aspen-oil.com'
Cc: Kautz, Paul
Subject: RE: State AC #1 operated by Aspen Operating

Sandra: Here is the email...

Paul: Do you have any additional concerns about this application?

Thanks,

Will Jones

-----Original Message-----

From: Jones, William V
Sent: Friday, March 04, 2005 10:50 AM
To: 'sgarcia@aspen-oil.com'
Cc: Kautz, Paul
Subject: State AC #1 operated by Aspen Operating

Hello Sandra:

Got your SWD application today and after a quick review, need a couple of things.

- 1) Send copy of Certified Receipts showing your mailing notice to:
 - A) the surface owner
 - B) the State Land Office and any other unleased mineral interest owners within 1/2 mile radius of this well (Parts of Sections 15, 16, 21, and 22).
- 2) Send a copy of another notice in the newspaper - this time use the correct Division address (See our web site for this address)
- 3) Have a geologist list all the geologic tops from the surface to the Devonian in this wellbore. I am especially interested in the top of the Salt and the bottom of the Salt.
- 4) In your plans, have your engineer place a DV tool above the Salt in the new 7 inch casing to be tied in. The well must be cemented below and above the salt. Plan on running a Cement Bond Log from the bottom to top in the old/new 7 inch.
- 5) Have your geologist or engineer tell where the oil-water contact is in the Devonian formation, and explain why they are not planning to inject below the oil-water contact.

CMD :
0058302

ONGARD
VIEW LAND BY ULSTR

04/11/05 19:24:29
OGOWVJ -TPYG
PAGE NO: 2

Sec : 15 Twp : 10S Rng : 36E Cnty1 : Lea
Cnty2 : Cnty3 :

U Lot/ Qtr	SRF SUB	ACTIVE	Bene	REMARKS	
L Trct Qtr	ACREAGE	OWNER	LEASE #	(may show restrictions codes)	
I	NE4SE4	40.00	FE ST R1	4571 0000 NMT	PAT. #3878
			R1	5592 0000	
			V0	7087 0000	
J	NW4SE4	40.00	FE ST R1	4571 0000 NMT	PAT. #3878
			R1	5592 0000	
			V0	7087 0000	
K	NE4SW4	40.00	FE ST V0	7058 0000 NMT	PAT. #3878
L	NW4SW4	40.00	FE ST V0	7058 0000 NMT	PAT. #3878
M	SW4SW4	40.00	FE ST V0	7058 0000 NMT	PAT. #3878
N	SE4SW4	40.00	FE ST V0	7058 0000 NMT	PAT. #3878
O	SW4SE4	40.00	FE ST R1	5592 0000 NMT	PAT. #3878

PF01 HELP PF02 PREV PF03 EXIT PF04 GoTo PF05
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD :
OC5C102

ONGARD

04/11/05 11:05:14
OGOWVJ -CPYS

C102-WELL LOCATION, DEDICATED ACREAGE PLAT

API Well No : 30 25 3646 Well No : 1 Eff Date : 01-01-1900
Pool Idn : 13560 CROSSROADS;DEVONIAN, SOUTH
Prop Idn : 11252 STATE AC
OGRID Idn : 22659 TEXAS PACIFIC OIL CO INC
GL Elevation :

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act(P/A)
B.H. Locn	: N	15	10S	36E	FTG	F S FTG 1980 F W	

OCD U/L : N

Lot Identifier: API County : 35

Ogrid Name at Plugging time :

If more than 1 lease of different ownership is dedicated to the well, have the interest of all owners been consolidated? (Y/N) :

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/S) :

E0043: Record found; Authority denied to MODIFY/ADD

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 PF08 PF09 PRINT PF10 NEXT-WC PF11 HISTORY PF12 ACRE

March 21, 2005

Re: State "AC" #1
Section 15, T10S-R36E
Lea County, New Mexico

Tops from surface to the Devonian:

Anhydrite Permian	2225
Salt	2312
Yates	2900
Seven Rivers	3117
Queen	3633
San Andres D	4195
Glorieta	5633
Tubb /SD/	7011
Abo /Sh/	7765
Wolfecamp	9012
Cisco	9609
Bough C	9690
Canyon	10053
Strawn	10540
Bend	11345
Miss.	11666
Woodford /sh/	12175
Devonian	12249

NEW MEXICO OIL CONSERVATION COMMISSION

MISCELLANEOUS REPORTS ON WELLS

(Submit to appropriate District Office as per Commission Rule 1106)

FORM C-103
(Rev 9-2-59)
1962 JUN 11 AM 8 35

Name of Company Texas Pacific Coal and Oil Company			Address P.O. Box 1688, Hobbs, New Mexico			
Lease State "AC"	Well No. 1	Unit Letter N	Section 15	Township 10-S	Range 36-E	
Date Work Performed 5/27-29/1962	Pool South Crossroads Devonian			County Lea		

THIS IS A REPORT OF: (Check appropriate block)

- Beginning Drilling Operations
 Casing Test and Cement Job
 Other (Explain):
 Plugging
 Remedial Work

Detailed account of work done, nature and quantity of materials used, and results obtained.

Drilled 8-3/4" hole to T.D. of 12,252'.
Ran 321 joints of 7" N-80 casing as follows:

- 2265', 28# Speed-tight
- 3352.5', 23# X-line
- 2460' 26# LT&C
- 2544' 29# LT&C
- 1619.5' 32# LT&C

12,241' Set 11' below KB at 12,252'

Cemented w/200 sms. regular plus 4% gel. Pumped plug to 12,168' at 4:17 P.M. 5/27/62
Waited 48 hours, tested 7" pipe w/1000 p.s.i. for thirty minutes - held O.K. Drilled out cement and cleaned out open hole to T.D. of 12,281'. Tested w/1000# for thirty minutes - held O. K.

Witnessed by A. D. Asher	Position Production Foreman	Company Texas Pacific Coal & Oil Company
------------------------------------	---------------------------------------	--

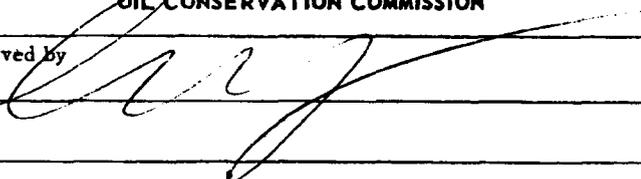
FILL IN BELOW FOR REMEDIAL WORK REPORTS ONLY

ORIGINAL WELL DATA

D F Elev.	T D	P B T D	Producing Interval	Completion Date
Tubing Diameter	Tubing Depth	Oil String Diameter	Oil String Depth	
Perforated Interval(s)				
Open Hole Interval			Producing Formation(s)	

RESULTS OF WORKOVER

Test	Date of Test	Oil Production BPD	Gas Production MCFPD	Water Production BPD	GOR Cubic feet/Bbl	Gas Well Potential MCFPD
Before Workover						
After Workover						

OIL CONSERVATION COMMISSION		I hereby certify that the information given above is true and complete to the best of my knowledge.	
Approved By 	Name A. D. Asher	Position District Engineer	Company Texas Pacific Coal and Oil Company
Title			
Date			

NEW MEXICO OIL CONSERVATION COMMISSION

FORM C-103
(Rev 3-55)

MISCELLANEOUS REPORTS ON WELLS

(Submit to appropriate District Office as per Commission Rule 1106)

Name of Company Texas Pacific Coal and Oil Company				Address P.O. Box 1688, Hobbs, New Mexico			
Lease State of New Mexico "AG"	Well No. 1	Unit Letter N	Section 15	Township 10-S	Range 36-E		
Date Work Performed 4/1/62	Pool South Crossroads			County Lea			

THIS IS A REPORT OF: (Check appropriate block)

- Beginning Drilling Operations
 Casing Test and Cement Job
 Other (Explain):
 Plugging
 Remedial Work

Detailed account of work done, nature and quantity of materials used, and results obtained.

Ran 14 Jts. (462') of 9-5/8", 40# J-55 casing and 90 Jts. 9-5/8" (3795') 36# J-55 Casing. Set at 4271'.

Cemented with 1600 sacks 50 + 50 Diamix + 4% Gel + 200 sacks regular + 2% Gel.

Pumped plug to 4203' at 11:00 P.M. 4/1/62. Cement did not circulate.

Tested pipe w/1000# pressure before and after drilling out cement.

Test O. K.

Witnessed by A. D. Asher	Position Production Foreman	Company Texas Pacific Coal and Oil Company
------------------------------------	---------------------------------------	--

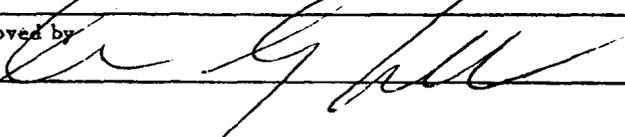
FILL IN BELOW FOR REMEDIAL WORK REPORTS ONLY

ORIGINAL WELL DATA

D F Elev.	T D	P B T D	Producing Interval	Completion Date
Tubing Diameter	Tubing Depth	Oil String Diameter	Oil String Depth	
Perforated Interval(s)				
Open Hole Interval		Producing Formation(s)		

RESULTS OF WORKOVER

Test	Date of Test	Oil Production BPD	Gas Production MCFPD	Water Production BPD	GOR Cubic feet/Bbl	Gas Well Potential MCFPD
Before Workover						
After Workover						

OIL CONSERVATION COMMISSION		I hereby certify that the information given above is true and complete to the best of my knowledge.				
Approved by 	Name Javed Sumar					
Title	Position Dist. Well Test Supervisor					
Date	Company Texas Pacific Coal and Oil Company					

NEW MEXICO OIL CONSERVATION COMMISSION

FORM C-103
(Rev 3-55)

MISCELLANEOUS REPORTS ON WELLS

(Submit to appropriate District Office as per Commission Rule 1106)

Name of Company Texas Pacific Coal and Oil Company				Address P. O. Box 1688, Hobbs, New Mexico			
Lease State of New Mexico "AC"	Well No. 1	Unit Letter N	Section 15	Township 10-S	Range 36-E		
Date Work Performed 3/23/62	Pool South Greenfield			County Lea			

THIS IS A REPORT OF: (Check appropriate block)

- Beginning Drilling Operations
 Casing Test and Cement Job
 Other (Explain):
 Plugging
 Remedial Work

Detailed account of work done, nature and quantity of materials used, and results obtained.

Spudded at 2:00 P.M. 3/23/62 to TD of 360'.
 Ran 11 Jts. (346') of 13-3/8", 48#, H-40, SR, Sals. ST&C csg. and set at 360'.
 Cemented w/350 sbs. neat 4% Gel + 2% CaCl₂.
 Plug down at 1:30 A.M. 3/24/62. Circulated cement. Pumped plug to 316'.
 Tested pipe w/800# before and after drilling out cement plug. Test O. K.

Witnessed by A. D. Asher & Harold Dumas	Position Production Foreman	Company Texas Pacific Coal & Oil Company
---	---------------------------------------	--

FILL IN BELOW FOR REMEDIAL WORK REPORTS ONLY

ORIGINAL WELL DATA

D F Elev.	TD	PBTD	Producing Interval	Completion Date
Tubing Diameter	Tubing Depth	Oil String Diameter	Oil String Depth	
Perforated Interval(s)				
Open Hole Interval		Producing Formation(s)		

RESULTS OF WORKOVER

Test	Date of Test	Oil Production BPD	Gas Production MCFPD	Water Production BPD	GOR Cubic feet/Bbl	Gas Well Potential MCFPD
Before Workover						
After Workover						

OIL CONSERVATION COMMISSION		I hereby certify that the information given above is true and complete to the best of my knowledge.	
Approved by 	Name Harold Dumas		
Title	Position Dist. Well Test Supervisor		
Date	Company Texas Pacific Coal and Oil Company		



ACOUSTIC CEMENT BOND
GAMMA RAY
COLLAR LOG

RECEIVED

APR 11 2005

Company ASPEN OPERATING CO.
Well T.P. STATE AC NO. 1
Field N/A
County LEA
State N.MX

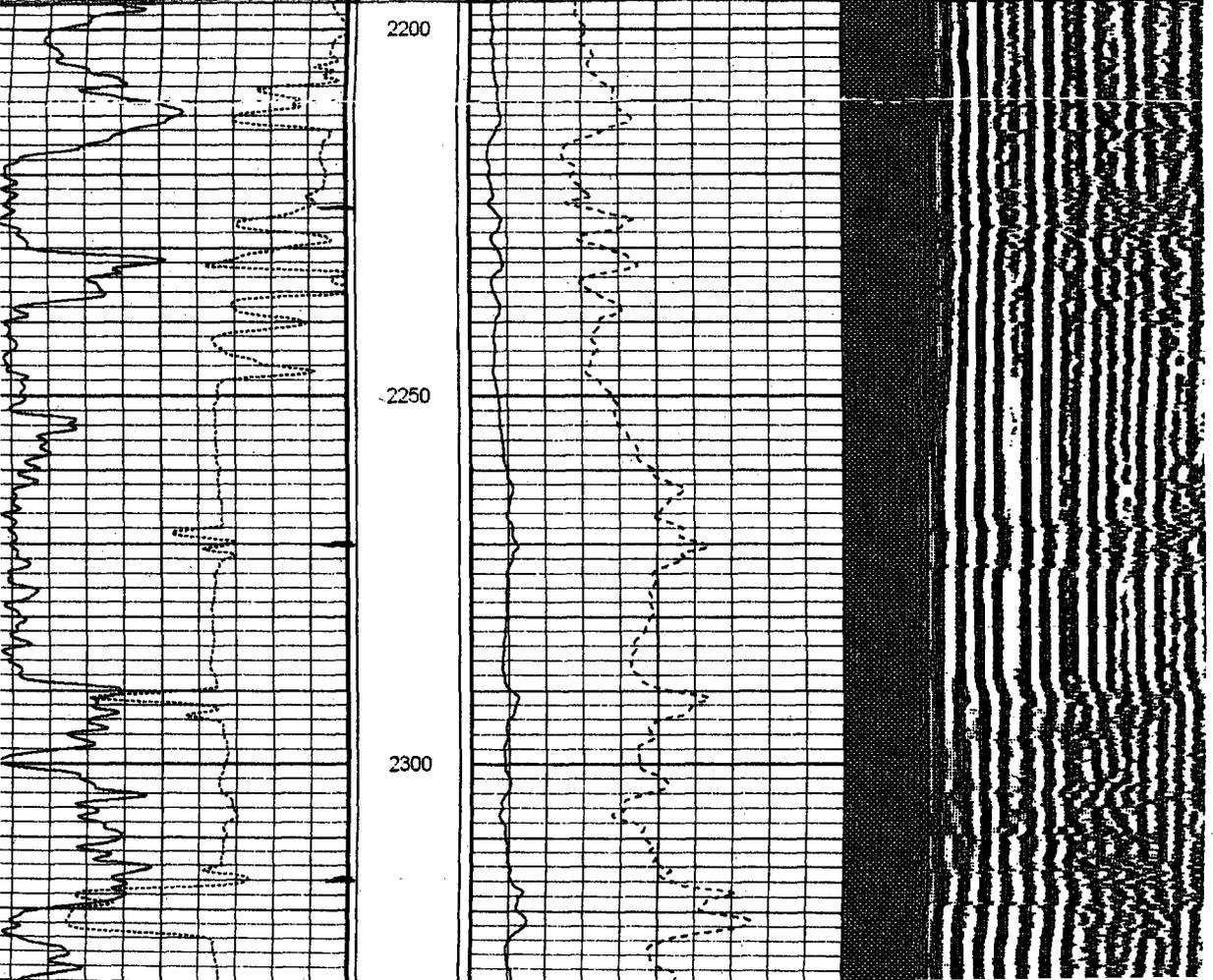
Company ASPEN OPERATING
Well T.P. STATE AC NO. 1
Field N/A
County LEA
State N.MX

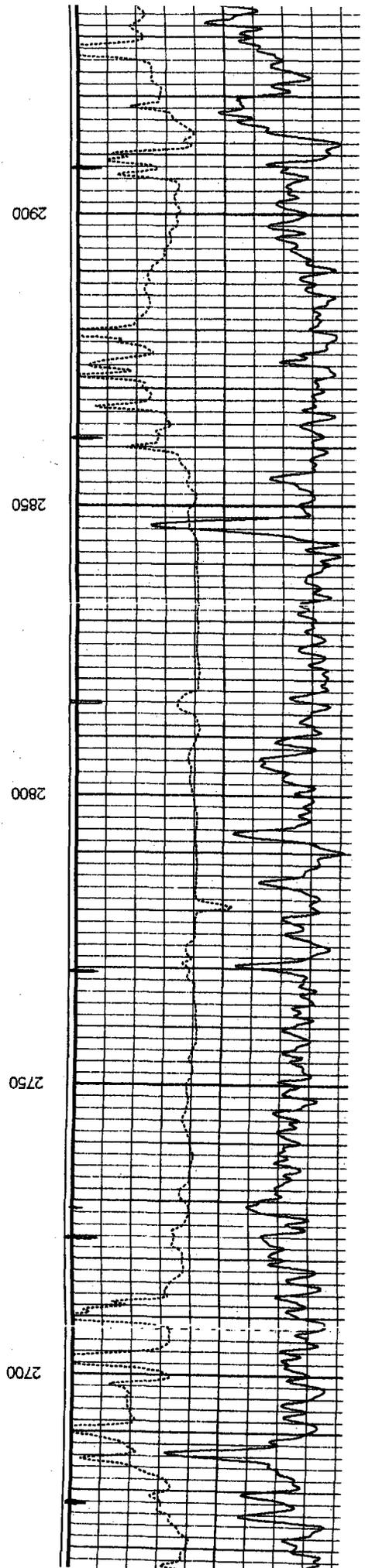
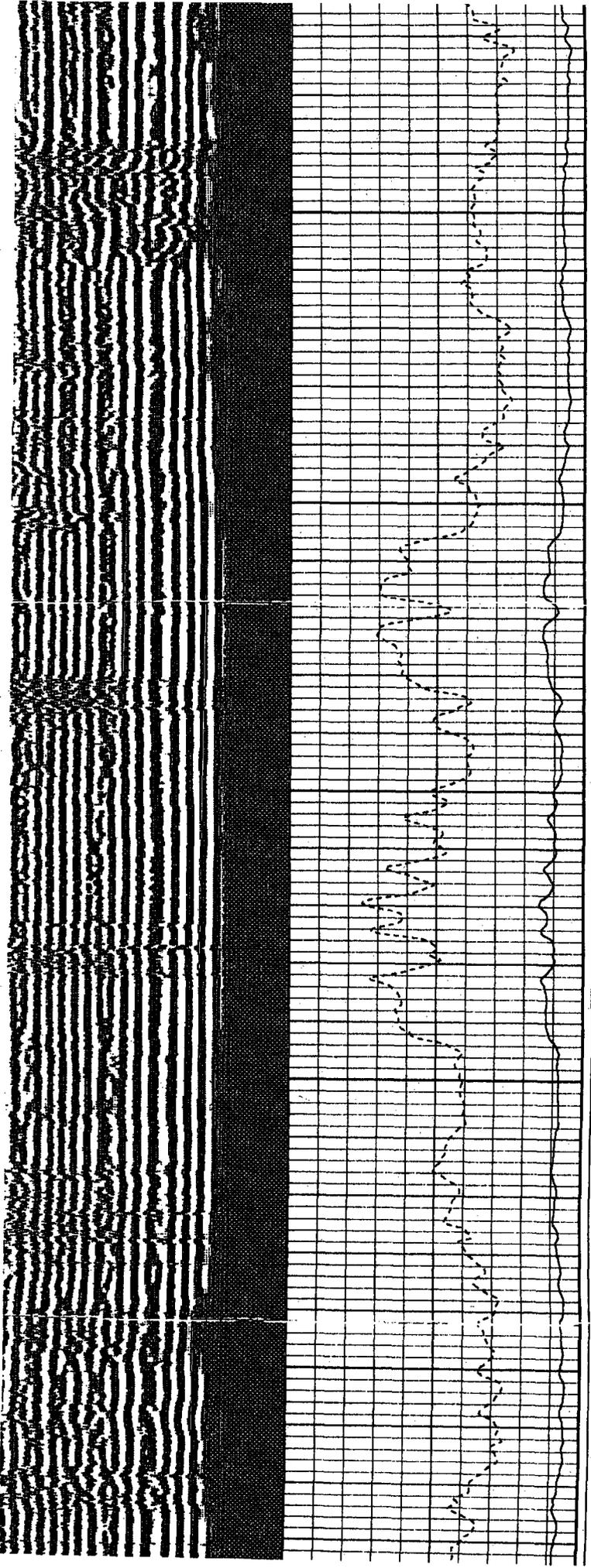
Location: API #
Permanent Datum
Log Measured From
Drilling Measured From

Elevation *
K.B.
D.F.
G.L.

Other Services

Date	03/21/2005
Run Number	ONE
Depth Driller	12,289
Depth Logger	4700
Bottom Logged Interval	4700
Top Log Interval	SURFACE
Open Hole Size	WATER
Type Fluid	*
Density / Viscosity	
Max. Recorded Temp.	
Estimated Cement Top	SURFACE
Time Well Ready	1300 HOURS
Time Logger on Bottom	SEE LOG
Equipment Number	#20
Location	HOBBS NM
Recorded By	J. RUNKEL
Witnessed By	MR. GASTON
Borehole Record	
Run Number	Bit
From	To
Tubing Record	
Size	Weight
From	To
Casing Record	
Size	Weight
From	To
Surface String	
Size	Weight
From	To
Prot. String	
Size	Weight
From	To
Production String	
Size	Weight
From	To





SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

TOM GAINER
 107 W. 19th Street
 Portales, New Mexico 88130

COMPLETE THIS SECTION ON DELIVERY

A. Signature

Tom Ray Gainer Agent
 Addressee

B. Received by (Printed Name)

TOM RAY GAINER
 030805

C. Date of Delivery

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below.

RECEIVED

MAR 10 2005

3. Service Type

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number

(Transfer from service label)

7004 1160 0007 4Z09 2243

UNITED STATES POSTAL SERVICE



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

Aspen Operating Company, L.L.C.
210 W. 6th Street, Ste 1301
Fort Worth, TX 76102

